

Verification Form Regarding the Departmental Action Plan

Fixed Operations 1 Week Post- Class Homework Assignment

Dear Academy sponsor,

One of the post-class homework assignments given to your manager at the conclusion of week two at the Academy is the Departmental Action Plan form. The student's assignment is to show you the format of the assignment, explaining to you the purpose of crafting a departmental action plan after week 2 of the Academy. This assignment will be completed four separate times, (classes 2-5) after the student has attended the fixed operations 1 parts week, the fixed operations 2 service week, the variable operations 1 class week and the variable operations 2 class week. The progress of the student's departmental action plans will be assessed by each of the Academy instructors in weeks 2 through 5 of the Academy. Please sign this form below which indicates that the student has reviewed the departmental action with you, and have your student bring the form with them, when they return for their fixed operations 2 parts class. We will collect these forms at that time from the students. The student will receive a pass/fail grade, based upon whether they submit this form signed by you. This is being done in order to verify that each student has shared the Departmental Action Plan with their sponsor.

Thank you for your cooperation.

Sponsor's Printed Name

Rick D. Neill

Sponsor's Signature



Date Nov 23, 17

Very truly yours,

Departmental Action Plan

Dealership **Corner Brook Nissan**

Student Name **Aaron Hynes**

Academy Week **Week 2 - Fixed Operation - Parts**

Class & Student Number **329-31**

Current Situation

Gross Profit Contribution
Our Parts Department gross percentage contribution for internal profile % and counter profile % are below NADA guide. This is suspected due to low internal rates. We are wanting to obtain an average of 33% Gross Profit Margin. We are calculating on a average percentage mark up based on simply multiplying \$100 by 33%. Thus, when the daily DOC is generated and the Monthly Financials are ran we are only showing an average of 26%. We are not calculating Gross Percentage Profit as per the Performa Calculator.

Overall Objective

To show the Parts Manager how the Performa Calculator works and how to utilize it correctly to show the increase an additional profit. In turn, to train the parts staff on the proper profit calculations. To increase the profit in the parts dept. by an average of 7%. To implement standard pricing guidelines for all Staff Members.

Proposed Timeline

To set up a meeting with the Parts Manager by Nov 30, 2017 to review the desired implantation. To track daily implantation starting Dec 01/17. To track Monthly implantation Dec 29/17. Follow up done a daily and consistent basis.

Action Plan

To have the necessary meeting with the Parts Dept. and to demonstrate the Pro Forma calculation to show the additional gross profit that will be made. To demonstrate the how to use Mark Up Factor for a Desired Gross Profit Percentage. To check with the DMS provider and get the desired calculations programed into the DMS. To make surer that only the Parts Manager has the ability to discount parts, accountability on the Parts Manager to maintain desired mark up. To have daily, weekly, and monthly reviews to maintain desired levels and to review performance. As new staff are hired to make the Parts Manager accountable for the proper training to meet the objective.

Requirements

Meeting with Dealer:
Review the desired Action Plan and its positive implications.

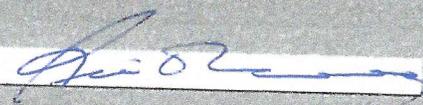
Meeting with stakeholder(s) (dealership personnel):
Provide the necessary information needed to show the overall benefit of the action plan by use of the DOC and Monthly Statements to show the additional profit that will be made. To Commit to consistence monitoring and review on a regular daily and monthly basis. To provide the necessary tools needed by the Parts Manager to obtain the goal. I.e. Necessary Calculations, DMS set up. There will be no incurred cost.

Accountability: Monitoring progress:
Who:
Parts Manager and GM.
What:
Parts Manager to be trained for proper calculations and GM for providing training.
By When:
We have started the above action plan and wanting full implementation by Dec 31/17
How:
Manual Calculations, Parts Manger provided with the necessary multifaction factors for desired results. DMS to be contacted to get necessary factors implemented.

Describe checkpoints that have been established to measure progress:
Daily / Weekly / BI-weekly / Monthly /
Daily -- Parts Manager and GM to review DOC daily.
Monthly -- Parts Manager and GM to review the desired category for improvement.
Date(s) for review: Daily -- Parts Manager and GM to review each day as DOC is released approx. 4:00 pm daily.
Monthly -- Parts Manger and Gm to Review Monthly Statement for Parts Dept. day after statement released, 10th day of following month. to be done on a regular monthly basis.

Estimated cost for implementation: DMS Provider to determine cost.

Projected Date of Completion: December 31, 2017

Sponsor Signature: 

Evaluation of Results. Include measured results. (± Metrics)

Impact Areas:

Sales / Gross / Expenses / Net Profit / CSI /

Sales: Parts Dept. will not transfer the cost of the price increase to the Sales Dept. Parts calculated at previous margin will now be sold at the increased margins. This will be seen as a marginal price increase for the customer.

Gross: We will see an increase of 7% gross profit margin. Which will calculate to an average of \$ per month.

Expenses: There will be no cost incurred.

Net Profit: Net Profit will increase.

CSI: No effect to CSI.